

DOMESTIC VIOLENCE SHELTER FUND FORMULA

FINAL REPORT

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I. Background

In 1982, legislation was passed to create the Domestic Violence Shelter Fund (DVSF). The fund is comprised of a percentage of court filing fees as well as money from the state income tax check-off for domestic violence programs and is to be used for emergency domestic violence shelters. A section of the statute, ARS §36-3004, included a maximum amount that could be given to each shelter. As the Fund grew, it was necessary to continuously amend the statute to increase this maximum ceiling in order to equitably distribute the dollars. In the 2000 legislative session, the Arizona Coalition Against Domestic Violence (ACADV) sought legislation to eliminate the ceiling and require a formula to distribute the funding. Laws 2000, Chapter 331 amended the existing DVSF statute (ARS §36-3006) requiring that the Department consult with a state coalition against domestic violence to develop a weighted methodology for allocation of funding. In developing the formula, the following components needed to be considered:

1. The need for services
2. Existing services
3. Geographic location
4. Population ratios

In the same session, Laws 2000, Chapter 122 established the Domestic Violence and Sexual Assault State Plan Task Force and required the Task Force to review the funding allocation methodology that was developed. In October 2000, the Department presented a progress report to the Task Force detailing the efforts made to date for formula development, and the plan for completion.

Laws 2001, Chapter 358 expanded and extended the Task Force. The new law continued the requirement of reviewing the funding allocation methodology. The enabling legislation and the appropriate DVSF statute are included as attachments to this report.

As mentioned above, DVSF is a fund source comprised of a percentage of court filing fees as well as money from the state income tax check-off for domestic violence programs. The amount of money available for contracts with domestic violence emergency shelters fluctuates each year to some degree, but generally the fund continues to increase. For example, DVSF was at the following levels in the last four state fiscal years:

- 1998-- \$1.1 million
- 1999-- \$1.4 million
- 2000-- \$1.5 million
- 2001-- \$1.7 million

For SFY 2002, there is an estimated \$1.5 million available for contracts.

II. Formula Development Process

A. August 2000 - The Community Services Administration (CSA) met with the staff of the ACADV to determine the best approach for developing the formula. There was

unanimous agreement that the domestic violence emergency shelter providers must guide and participate in the entire formula development process for optimal ownership and agreement. ACADV and DES/CSA conducted research benchmarking allocation formulas in other states.

B. September 2000 - In partnership, CSA and ACADV held a meeting with domestic violence providers/stakeholders. Over 50 individuals, representing 23 domestic violence agencies from urban and rural areas and four state agencies that fund domestic violence programs, attended an all-day, facilitated meeting on September 14th (see list in attachments). After receiving background information about the requirement for a formula and benchmarking formulas used by other states, meeting participants agreed to principles that guided the formula development. The guiding principles are listed below:

Guiding Principles

- The funding formula should be developed with stakeholder input.
- The funding formula should have multiple factors, including but not limited to some measure of population that considers the area actually served.
- The funding formula should be simple to understand but focused on the key issues.
- The funding formula should be fair to all populations.
- The funding formula should be reviewed periodically and revised as needed, with stakeholder input.
- The funding formula should utilize consistent definitions.
- There should be a minimum funding base.
- There should be no loss of funding to existing programs for the contract renewal period of SFY 2002.
- There should be provisions for adding new agencies and services.
- Quality should be a factor.
- Quantity/range of services should be a factor.
- The funding formula will foster collaboration.
- The option of applying the formula to all domestic violence funds will be considered.

The statutorily required categories and potential additional variables for the allocation formula were discussed. There was agreement that, at a minimum, the required categories must be considered in the development of a formula. It was noted that variables might be different for new programs than for existing programs that have historical data. In addition, there should be a mechanism for mainstreaming new shelter programs into the Shelter Fund after start-up.

For each of the required categories, the group brainstormed the following possible variables and data sources for consideration in the development process:

1. *Need for Services*

- Community needs data such as law enforcement data (e.g., police calls), Child Protective Services (CPS) data, and Court data (e.g., orders of protection, divorces)

- Socio-economic data, statistics from national data on incidence and prevalence of domestic violence
- Bed nights of service provided, people served (as a measure of need)
- Number “denied” service due to lack of space

2. *Existing Services*

- Shelter capacity (number of licensed beds with beds defined)
- Number/kinds of services offered directly or through collaboration
- Number of services offered to each resident
- Number of “cultural needs services,” number of services that address cultural needs that may pose barriers to receiving DV services (e.g., language, disability)
- Evidence of strategic plan for continuation or expansion of services
- Satisfaction level of persons who use services
- Stability of the program
- Services provided to victims outside the service area

Other questions and considerations related to service categories: Should the funding formula be weighted more heavily for shelters with more services than for shelters with fewer services, if there are fewer services due to a lack of funding? A concern was also voiced about rural programs and the challenges to collaboration in areas where services are sparse. A consistently recommended factor for consideration was the distinction between urban and rural. It was suggested that the core services be defined.

3. *Geographic Location*

- Develop catchment areas (not just county) based on access to services, distance to another shelter
- Availability of transportation to services
- Cultural considerations (as they relate to geographic areas)
- Cost of living in the geographic area

Other considerations for geographic location category: An issue was raised about geographic need and availability of data. Will information be available for catchment areas that are defined, if they do not follow political boundaries (e.g., counties)?

4. *Population Ratios*

- Base population numbers (state as a whole, including reservations)
- Number of people turned away for services

The group also identified two other categories for possible consideration: quality and accreditation.

C. October 2000 – April 2001 -- Funding Formula Work Group

Preliminary Meetings – To obtain additional information to facilitate the process, CSA conducted a series of meetings with the DES Research Administration Arizona State Data Center. They obtained information on data resources as well as some alternatives to counties for geographic boundaries. Representatives of the DES Research Administration participated on the workgroup.

Workgroup Process

The workgroup consisted of 22 representatives. Members came from urban and rural shelters and safehomes, state agencies, and ACADV. There were representatives who had experience in program and/or fiscal areas with knowledge of data sources. The members held five, half-day meetings, between October and April to complete the final funding formula recommendation.

The workgroup used the legislative requirements and Guiding Principles to develop the formula recommendations. To facilitate communication, minutes were sent to each of the providers/stakeholders. In March, the workgroup concluded its analysis and made a final funding formula recommendation.

III. Final Funding Formula

A. Elements

The funding formula consists of the following four elements that the workgroup determined to meet the statutory requirements and the guiding principles:

Population by county - weight of one (1) - Addresses *Population Ratios and Need for Service*.

Population will be derived from the most current population projections obtained from DES Research Administration - Data Center for each county.

Consideration and research was done to explore other population designations, i.e., Census Tracts; however, this was considered the most accurate way of determining the population.

Beds - weight of one (1) - Addresses *Existing Services and Need for Service*.

Beds are defined by the number of single adults that a shelter can accommodate with one adult per bed.

Other factors considered were number of ADHS licensed beds, overall bed nights provided, number of women and children served, and whether temporary beds, i.e., cribs, should be counted. Counting beds that an adult could fit into would allow for the greatest number for the shelter to report

Rural Area - weight of one and a half (1.5) - Addresses *Geographic Location*

A rural area is defined as a county with a population of 300,000 people or less.

A variety of weights between 2.0 to 0 were considered; however, 1.5 was believed to be most equitable.

Base – Each shelter will have a minimum funding base of \$32,000. This amount was determined by using the lowest amount any one shelter currently receives.

Final Formula Recommendation					
Population single weight	+	Number of Beds single weight	+	Rural Area + 1.5 weight	Base \$32,000

B. Formula Procedures

The group determined the following procedures for the use of the formula:

1. Each shelter will have a minimum funding base of \$32,000. This was determined by using the lowest amount any one shelter currently receives.
2. Once every shelter has received its \$32,000 in base funding, the total for all base funding is computed. The total amount of base funding must not exceed 70% of DVSF total dollars available. If base funding exceeds 70%, then the base amount for each agency will be adjusted.
3. Beds will be counted annually before the start of the state fiscal year. Information is to be provided to CSA by the shelters in each county. Only existing beds will be counted.
4. The formula will be applied only to the DVSF and will be calculated for the SFY 2003 procurement involving the DVSF. The formula will be recomputed prior to any future solicitations involving DVSF funding.
5. New shelters will be able to submit offers during any new solicitations of funds. In order to be eligible, they have to meet the statutory requirements as defined in Domestic Violence Shelter Fund ARS §36-3004.
6. When there is more than one shelter within a county, funds are allocated based on the ratio (percent) of the number of beds represented by an offeror when applications are received as a result of a solicitation.
7. The formula elements and procedures will be annually reviewed by a committee consisting of an equal number of rural and urban programs in consultation with the Arizona Coalition Against Domestic Violence (ACADV).

IV. Evaluation of the Process

On April 25, 2001, the Arizona Department of Health Services (ADHS), ACADV, and CSA held a joint meeting to present the funding formula and to discuss data collection. The original Provider/Stakeholder group from the September 14th meeting was invited the day-long, facilitated meeting.

The proposed funding formula was presented by a panel consisting of the workgroup members. Each member presented an element of the formula and the procedures and described in detail the decisions made and the process involved in reaching the decisions.

The facilitator led a general discussion regarding the formula. The majority of the discussion consisted of clarifying questions with additional discussion about what constitutes a bed and how beds will be counted.

The consensus of the group was that the recommended formula be accepted and utilized as proposed.

An evaluation of the entire funding formula process was conducted at the end of the meeting. The participants were asked to provide comments on: their overall assessment of the process (meetings, communications, literature review, etc.); the amount of time taken to develop the formula; the quantity and quality of communication from the workgroup during the process; their ability to provide input to the workgroup; and the representation of workgroup members.

Overall the responses were very positive, reflecting that people felt informed and were able to provide the input. Some suggested that to facilitate greater participation, especially from the rural areas, the meetings could have been held regionally. There were several comments indicating that more time could have been devoted to the process.

V. Next Steps

CSA, ACADV, ADHS and the provider/ stakeholder group agreed on the following steps to complete the formula process:

- The Funding Formula report will be finalized and presented to DES management. If DES management makes any changes, the changes will be brought back to the provider/stakeholder group.
- The final report will be distributed to the provider/stakeholder group and the State Plan Task Force.
- CSA will use the formula for the first time to establish funding levels in SFY 2003 contracts.